

PARAGUAY COUNTRY REPORT

Paraguay is trying right now to recover once more the cotton area lost during the previous season due to low prices and lack of government measures to support financially the production of cotton. A planting intention of around 250.000 hectares is in the cards today, compared to roughly 150.000 hectares seeded during the previous season and slightly over 300 thousand hectares two years ago (see attached table).

For 2002/2003, cotton's national outlook is as follows:

Area to be planted by Nov15, 2002	250,000 Hectares
Estimated farm yield:	1.150 kilos/Hectare
Seed cotton production	287.500 Tons
Average gin yield:	35%
Lint cotton production	100.000 Tons
Domestic usage	6.000 Tons
Exportable surplus as of 3/1/03:	94.000 Tons

All Paraguayan cotton is non-irrigated, (irrigation is non-existent) and is 95% hand-picked. Hence, the country depends on weather conditions during its planting time, growth and harvest season.

The country's lint cotton grades vary from good middling to low middling, of which traditionally 85/90% is SLM and better, staple 1.3/32, prime mike 3,5/4,9 and 85/90.000 Pressley, with total absence of sugar or stickiness.

Since Paraguayan cotton is grown on small farms, with about 95% hand picked, the fiber shows extremely little neps and seedcoat fragments. Cottonseed multiplication programs are conducted by the Ministry of Agriculture in close teamwork and efforts with the French Mission (CIRAD-CA, ex IRCT), which is partly financed by CADELPA. This task continues firm and strong and shall provide even more homogeneous lint cotton characteristics for the years to come.

Paraguay has had a good record and proven reliability in supply and performance, contract fulfillment, and good ethical lint cotton trade practices.

Traditionally, Paraguay has been selling all its export surplus during the first six months of the crop year, which begins in March of each year, although the corresponding shipments may take place during the whole crop year. Traditionally, Paraguay hardly carries any cotton from one year to another, except, if foreign buyers delay the shipments or default on their Paraguayan cotton purchases.

CADELPA, the Paraguayan Cotton Chamber, has been and continues to work closely in a joint effort and good cooperation with the Paraguayan government and, particularly, with the Ministry of Agriculture to ensure healthy cotton crop growth, farmers assistance, crop progress and quality, good and appropriate seed research and development, timely seed distribution and plantings and also, very particularly, to minimize and eradicate contamination.

Paraguay is definitely against any government measures or practices that distort cotton markets, trade and production.

Although Paraguay has not yet officially approved the use of GM cottonseed varieties, more reasonable than emotional understanding is gaining consensus, and it is expected that this situation will be reviewed pretty soon.

PARAGUAYAN SEEDCOTTON PRODUCTION

<u>CROP YEAR</u>	<u>AREA PLANTED (HECTARES)</u>	<u>PRODUCTION TONS</u>	<u>YIELD IN KILOS PER HECTARE</u>
70/71	32000	16600	519
	50000	40500	810
	87000	69900	803
	102000	75084	736
	112000	99229	886
75/76	112000	105041	938
	218000	222486	1021
	315000	284646	904
	359000	229201	638
	262400	229526	875
80/81	351760	316699	900
	302950	253263	836
	298403	228373	765
	305661	302406	989
	407567	460032	1129
85/86	350000	312068	892
	312000	243000	779
	402500	543178	1350
	439000	630600	1436
	530000	643885	1215
90/91	560000	753000	1345
	492000	389000	791
	235450	389188	1653
	381186	379877	997
	332210	461169	1388
95/96	320000	328868	1028
	110697	139097	1257
	202000	220646	1092
	166204	181830	1094
	194760	244000	1253
00/01	259000	285000	1100
2001/2002	130500	123975	950
2002/03(Intention)	250,000	287500	1150